

Foreign Direct Investment

S. Korea draws US\$20 mln investment from Dutch, German semiconductor firms

S. Korea has drawn investment of a combined USD 20 billion from Dutch and German semiconductor companies, the industry ministry said on Oct. 14..

The investment pledges were made as Moon Dong-min, a deputy minister for trade and investment, visited the Netherlands and Germany for trade talks earlier this week, according to the Ministry of Industry, Trade and Energy.

Of the investment cases, Dutch semiconductor equipment supplier ASM decided to invest

USD 10 million to build a production factory and a research and development center in S. Korea.

The S. Korean ministry also had consultations with Carl Zeiss of Germany about an investment of a similar scale, it added.

KSB, a Germany-based pumps and valves manufacturer, discussed with S. Korea about its investment in expanded facilities and an R&D center in S. Korea.

Renault plans hundreds of millions of euros to groom S. Korea as new export hub: CEO

French auto giant Renault Group hopes to invest hundreds of millions of euros in the next six years to make S. Korea a new export hub for its mid- to large-size vehicles, Luca de Meo, chief executive officer of Renault S.A., said on Oct. 11 during his first visit to Korea since his inauguration in 2020.

The new mid- to large-size release will likely be a hybrid model, de Meo said in a press

conference in Seoul. Renault Korea Motors, Renault's Korean operation, unveiled the new crossover SUV model concept coming out 2025 on the same day.

Its crossover SUV XM3 has successfully garnered a positive response in the global market, and cumulative shipments exceeded 200,000 units at the end of last month.

FDI pledges to S. Korea hit record high through September: data

Foreign direct investment (FDI) pledges to S. Korea rose 18.2 percent on-year during the first nine months of this year on the solid growth in investment in such advanced sectors as chips and batteries, the industry ministry said Oct. 5.

The country received USD 21.52 billion worth of FDI commitments during the January-September period, compared with USD 18.21 billion logged a year earlier, according to the data by the Ministry of Trade, Industry and Energy.

It marked the highest amount ever for any

nine months of data. It is also the first time that the country received more than USD 20 billion worth of FDI through the third quarter. A total of 2,498 investment pledges were made during the cited period, up 12.7 percent from the previous year.

"The country saw an increase in foreign investment in such advanced sectors as semiconductors, electric vehicles and batteries. Stable manufacturing bases, manpower and innovative technologies, as well as the government's efforts, have attracted foreign investment," it added.

Trade & Commerce

S. Korea, Uruguay agree to speed up free trade talks with Mercosur

S. Korean Prime Minister Han Duck-soo and Uruguayan President Luis Lacalle Pou agreed on Oct. 12 to speed up negotiations on a free trade deal between Seoul and South America's Mercosur bloc, a senior diplomat said.

S. Korea and Mercosur held their seventh round of free trade negotiations in September last year, but little progress has been reported

since then.

S. Korea's First Vice Foreign Minister Cho Hyun-dong, who is accompanying Han, told reporters that Han asked the Uruguayan president for cooperation to swiftly resume the free trade talks with Mercosur and reach a deal. In return, the Uruguayan president pledged to make efforts to accelerate the negotiations, Cho said.

Trade & Commerce

Seoul's trade chief in Europe for economic ties, Expo bid support

S. Korea and Hungary have agreed to push for the signing of a new framework meant to promote bilateral trade and investment, Seoul's trade ministry said on Oct. 26.

The agreement was reached during a meeting between S. Korean Trade Minister Ahn Duk-geun and Hungarian Foreign Minister Peter Szijjarto on Monday. Ahn visited Budapest as the first stop of his weeklong three-nation trip

to Europe as a special envoy of President Yoon Suk-yeol, according to the Ministry of Trade, Industry and Energy.

During the meeting, the two sides vowed to work on the establishment of the framework as part of effort to enhance bilateral investment and cooperation in digital and clean energy fields and to jointly ensure stable supply chains.

Industry

IMF revises up S. Korea's 2022 economic growth to 2.6 pct

The International Monetary Fund (IMF) on Oct. 11 revised up its 2022 economic growth outlook for S. Korea to 2.6 percent amid the country's improving private spending on eased virus restrictions.

The revision marked a 0.3 percentage point rise from the growth forecast of 2.3 percent that the Washington-based organization made in July. The IMF, however, cut next year's growth estimate for S. Korea to 2 percent from the previous forecast of 2.1 percent.

The updated outlook for this year is in line with the Bank of Korea's forecast of 2.6 percent growth outlook in August.

Asia's No. 4 economy grew at a faster pace in the second quarter of this year as private spend-

ing rose amid eased COVID-19 restrictions.

The country's gross domestic product (GDP)—a key measure of economic growth—increased 0.7 percent in the April-June period from three months earlier, according to the preliminary data from the central bank. The growth slightly quickened from the previous quarter's 0.6 percent rise.

In its latest report, the IMF added that countries should prioritize handling inflation and carry out substantial and consistent belt-tightening moves even if they cost jobs.

The central bank's inflation outlook for 2022 currently stands at 5.2 percent, the highest projection since it introduced the inflation target system currently in place in 1998.

Government & Policy

S. Korea eyes 1.5 tln-won investment by revamping regulations

S. Korea plans to overhaul a set of business regulations as part of efforts to bolster investment, the finance ministry said on Oct. 17, amid growing fears over an economic slump. The decision was made during a meeting of economy-related ministries presided over by Finance Minister Choo Kyung-ho, according to the Ministry of Economy and Finance.

S. Korea plans to overhaul 24 business-linked regulations, which is expected to help the country raise investment worth KRW 1.5 trillion

(USD 1.03 billion), the ministry said. During the previous meetings held in July and September, the government vowed to revamp a total of 86 regulations.

The tasks include setting clear instructions on the installation of explosion-prevention measures at semiconductor production facilities amid the criticism that the existing rules are vague and cause businesses to make unnecessary expenditures.